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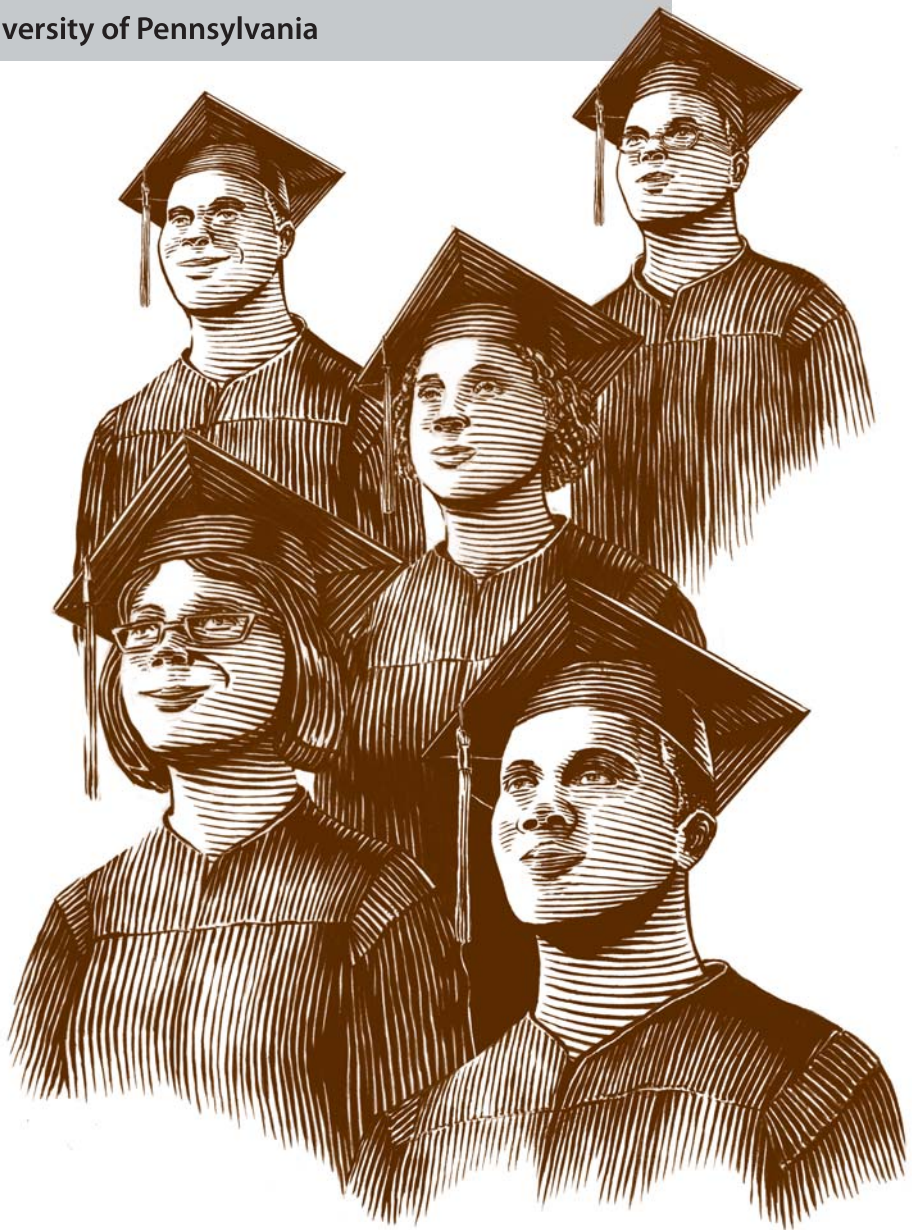
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Comprehensive Funding Approaches for Historically Black Colleges and Universities

A policy brief by Marybeth Gasman, Ph.D.

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Introduction

Historically Black Colleges and Universities (HBCUs) have a proven track record of successfully educating African American students, especially those from low-income and underprepared backgrounds. Given President Barack Obama's push to increase the percentage of citizens with higher education—and given the country's changing demographics (we will soon be a country with a majority of minorities)—it is essential that HBCUs thrive. They must be out in front demonstrating for the rest of higher education how to provide a sound education to African Americans and other students of color.

Equal and consistent federal, state, and private funding will make HBCUs stronger and more viable institutions. This paper examines current HBCU funding sources, policies, and strategies. It makes recommendations for innovative ways to support these institutions, as well as actions HBCUs can undertake to strengthen themselves. Although HBCUs are addressed in general, particular attention is placed on public HBCUs, which are in a slightly more tenuous and peculiar situation given their state funding.



HBCU Funding Snapshot

Federal Funding of HBCUs

Federal allocations to HBCUs originated with the Higher Education Act of 1965.* Title III, part B of the act specifically targeted increasing capacity at HBCUs. Through this act, funds are provided to HBCUs as grants to support financial management, physical plant renovations and improvements, endowment building infrastructure, and academic resources. The average grant per institution is roughly \$2 million—an amount that does not significantly narrow the gaps in funding disparities between HBCUs and Historically White Institutions (HWIs) given historic discrimination.

Additional funding and recognition of HBCUs came in 1980 when President Jimmy Carter signed Executive Order 12232 in an effort “to overcome the effects of discriminatory treatment and to strengthen and expand the capacity of historically black colleges and universities to provide quality education.”¹ According to T.R. Wolanin, the purpose of the order was to remedy past discrimination on the part of the federal government and individual states. Wolanin also describes a secondary purpose: recognizing and supporting the extraordinary job that HBCUs do in providing quality higher education to blacks.²

Some researchers, including James T. Minor, have criticized the lack of federal funding of HBCUs, including the White House Initiative on HBCUs. In 2008, Minor noted that the Initiative had “not produced noticeable results.” In fact, the Initiative’s own advisory board criticized it, citing “decreased federal funding for HBCUs, lack of cooperation among federal agencies, and disregard of board recommendations as serious concerns.”³ President Obama has recognized the Initiative’s inactivity and lack of authority and has worked to empower and reinvigorate it. However, Obama’s approach, with its emphasis on accountability,⁴ has not necessarily been embraced by HBCU leaders. Although the President has every right to expect higher graduation rates and increased accountability from HBCUs, he must also realize and acknowledge that HBCUs enroll more low-income and under-prepared students who are typically part of the first generation in their family to attend college. Such students pose greater risks in terms of graduation and require more resources to succeed. Measures of institutional success need to take into account the individual characteristics of students attending HBCUs.⁵

Another area of concern in terms of federal support of HBCUs is grant allocations to foster and sustain research. According to a 2008 report by the Congressional Research Service, “Many HBCUs face difficulty competing for federal research dollars with other research-performing universities.” Federal trend data reveal that research-performing HBCUs have not shared proportionately in the distribution of federal research and development (R & D) dollars going to colleges and universities. Although funding to HBCUs has increased in the past 10 years in absolute terms, it remains only a small fraction of the total awarded to all U.S. colleges and universities. Moreover, the report noted that among HBCUs, funding was unevenly distributed and, as with non-HBCUs, concentrated at selected institutions. For example, in FY 2005, the top 10 HBCUs (in terms of receipt of federal R & D support to HBCUs) accounted

*The Freedmen’s Bureau was the first federal investment in HBCUs, but it was not systemic.

for approximately 52.7% of total federal R & D support of HBCUs, and the top 20 HBCUs accounted for approximately 72% of total R & D support of HBCUs. This trend leaves 85 HBCUs, many that would benefit greatly from R & D dollars, without funding.

State Funding of HBCUs

Research published in 2006 indicates that there are disparities in African American enrollment and graduation rates in 14 of the 19 Southern states.⁶ According to this research, “Public four-year HBCUs are the only sector in which blacks consistently approach or achieve parity in enrollment and degree completion across the 19 states.” Despite this important contribution, the financial stability of public HBCUs rises and falls depending on a state’s fiscal health. Minor notes vast inequities between funding for flagship universities and HBCUs, based on funding per student.³ He also argues that “Current appropriation processes essentially ignore institutions most capable of educating those least likely to receive postsecondary degrees.” According to Minor, there are a few instances where states have narrowed gaps in degree attainment by investing in those institutions most capable of serving underrepresented populations.

Minor also found that Southern HWIs enroll miniscule numbers of African American students.³ HBCUs are doing the lion’s share of work in terms of educating blacks and are receiving only a fraction of the state funding in that region. An immediate response from critics tends to be that public HBCUs are much smaller than their historically white counterparts and as such should have smaller appropriations. However, according to Minor, when comparisons of state funding are calculated on a per-student basis, the inequities become even more apparent. For example, the historically white University of North Carolina-Chapel Hill and North Carolina State University are appropriated roughly \$15,700 in state funding per student. In contrast, students at historically black North Carolina A & T and Fayetteville State University receive roughly \$7,800 each in state appropriations.⁷ Based on his findings, Minor recommends that higher education leaders at the state level be more conscious of how inequitable funding patterns counter the goal of expanding access. Likewise, Thomas Sav found that “an overall redistribution of state funding would be necessary to move historically black and predominantly white colleges and universities toward funding equality.”⁸

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Private Funding of HBCUs

According to John S. Wilson, “Although building larger endowments [at HBCUs] is key, there is also a prior need to build the kind of operational and academic ‘scaffolding’ required for institutional robustness in areas related and conducive to endowment growth.”⁹ HBCUs face increased competition for their students by HWIs. According to Spelman President Beverly Daniel Tatum, at her institution, “Successful fundraising efforts to increase the endowment provided financial stability and fueled construction of new residence halls and academic buildings—creating an attractive environment” for students. Unfortunately, not all HBCUs have shared Spelman’s success.

When discussing private funding of HBCUs, it is important to be cognizant of the history of this funding. Throughout their history, HBCUs have received significantly less funding per student from foundations and corporations than their historically white counterparts.¹⁰ Decades of lower funding, along with alumni with less access to wealth, have resulted in HBCUs having smaller endowments and fewer operating dollars. In addition, when HBCUs did receive funding from white foundations and corporations, it came with a heavy dose of control and manipulation. Private funders need to be aware of this history and be cognizant of their agendas for HBCUs. They should work with HBCU leaders and advocacy groups to craft a funding approach that is respectful of HBCU leadership and contributions and that invests in infrastructure rather than funding short-term programs.



Criticism of Public Funding for HBCUs

Many of those who argue that public black colleges should not operate at the public's expense do so because they consider these institutions to be “racially identifiable.”¹¹ Missing from this argument is that white institutions are also racially identifiable. Too often, diversity or integration is defined as “start with white people and add people of color.” It is also possible, as HBCUs have shown, to begin with a base of black students and add whites, Asians, and Latinos.¹² HBCU allies and those within the HBCU community need to make sure that others understand that HBCUs are not “vestiges of segregation.”

Even with additional attention being paid to enhancing the reputation of HBCUs, there will still be critics who will say that public HBCUs, especially those in the Deep South, have not been able to attract white students at the same rate as HWIs have attracted black students. HBCUs have never excluded students based on race and since the *Brown v. Board of Education* ruling HBCUs have actively opened their doors to white students.¹³ But underfunding of HBCUs makes it difficult for these institutions to compete with HWIs for students; public HBCUs, in some cases, receive only 50% of the funding that their white counterparts do. Redistribution of funding will allow the institutions that know the most about educating low-income African American students to excel and thrive.¹⁴

Recommendations

There is much that the federal and state government and private entities can do to bolster these institutions. First, HBCUs would benefit from an influx of funding to their fundraising infrastructure. If HBCUs had larger, more comprehensive fundraising staffs, more professional development, and greater access to fundraising technology, they would be able to garner more alumni contributions and secure donations from the growing African American middle class. Consider Claflin University in South Carolina and the University of North Carolina Focused Growth Initiative. Prior to a grant from the Kresge Foundation to support its fundraising operation, Claflin University was just surviving—but now it thrives, attracting major donors and topping *Forbes* list of the best HBCUs. The University of North Carolina Focused Growth Initiative is aimed at creating both academic and operating improvements within the state's HBCUs. Monies from this project helped the HBCUs in North Carolina enhance their fundraising operations and subsequently raise more private funds.

The federal government, in particular, can be instrumental in enhancing HBCU infrastructures for securing grant funding. A four-pronged approach is recommended.

1. Commit actual dollars toward increasing staff and grants management technology.
2. Provide basic training in grant writing for faculty and staff at HBCUs. The federal government could offer this training as part of the White House Initiative on HBCUs annual conference and could partner with private foundations and HBCU advocacy groups (e.g., Thurgood Marshall College Fund, United Negro College Fund, and the National Association for Equal Opportunity) to offer grant-writing workshops at myriad conferences.

3. Educate HBCU administrators about the benefits of securing federal grants, including the overhead paid to the sponsoring institution and the benefit to faculty creativity.
4. Encourage equal partnerships between majority institutions and HBCUs.

The federal government can also strengthen HBCUs with support for loan forgiveness programs for newly minted Ph.D.s, especially those in the sciences, who choose to teach in the black college environment. HBCUs face stiff competition for their faculty as HWIs begin to diversify with more sincerity. Loan forgiveness programs as well as salary incentives would help HBCUs to attract young faculty who might possess great skills in the grant-writing area as well.

HBCU Responsibility

HBCUs must proactively protect and promote their images. According to the White House Initiative on HBCUs Executive Director John S. Wilson, “A lot of what’s going on in black colleges is unknown. There seems to be a tendency to emphasize and accentuate all the bad things.... But when there is breakthrough research going on, or students winning special awards, or major gifts coming in, then there isn’t as much publicity.”¹⁵ Notwithstanding media bias,¹⁶ HBCUs need to be more vigilant about protecting and promoting their images and need to contribute to the national discourse on African Americans and higher education.

In order to increase private giving, HBCUs must instill a culture of philanthropic giving with their students and alumni via consistent and intentional philanthropy education during the years a student is on campus. In general, African Americans give more of their discretionary income to charity than any other racial group.¹⁰ However, in order to give, one must be asked. Except for the strongest HBCUs in the group, HBCUs have typically waited until students are alumni to talk about giving. Many HBCUs neglect to ask their alumni to give back in any systemic way.

HBCUs also need to be mindful of their board of trustee composition. Board members should be providing the lead gifts to the organization if they wish to see it succeed. While there are board members who offer invaluable time and talent to the institution, in all but rare cases, this time and talent should, normally, be coupled with high-level giving.

With the help of federal, state, and private donations, HBCUs need to invest in more sophisticated databases that more accurately capture their alumni capacity. The only way to reach out to and pursue alumni with the capacity to give is to have accurate data on them. All too often, HBCUs lack this resource.

Lastly, public HBCUs, in particular, must take the time to educate their alumni about the make-up of their funding streams. Too often alumni of public institutions assume that their alma mater is fully funded by the state—and therefore needs no private support. They will continue to make this assumption until they are educated.



Conclusion

Historically Black Colleges and Universities have a proven track record of educating African Americans. Historically White Institutions have much to learn from HBCUs, especially as the country’s demographics change to include a majority of minorities. If the federal and state governments are serious about increasing the percentage of the country with higher education—thereby increasing our global competitiveness—then they must funnel more money toward HBCUs. They must invest this money to support the institutions with expertise in educating low-income, underrepresented students. This funding can come through budget allocations for HBCUs and grants directed at special projects of national and state interest, as well as targeted grants toward building infrastructure and institutional strength. At the federal level, the White House Initiative on HBCUs can play a key role. This initiative can support HBCUs but also challenge their leaders by generating serious dialogue about the strengths HBCUs currently enjoy and the weaknesses they face and will confront in the coming decades.

At the federal and state level, policymakers must be cognizant of the individual characteristics of students attending HBCUs, including socio-economic status and preparation. An awareness of the risks that HBCUs take in comparison to HWIs when it comes to enrolling students will help policymakers foster more informed decisions about funding—decisions that will hopefully promote and ensure equity.

Funders at the state and federal level as well as private funders should direct their support toward investments in infrastructure, including the fundraising infrastructure of HBCUs. A better infrastructure attracts more alumni support, helps to build endowment, and in effect, builds momentum among institutional constituents.

Lastly, HBCU leaders must work diligently to strengthen their institutions’ image and shape the national dialogue on the contributions of HBCUs as well as the education of African Americans and other students of color. HBCUs must be looked to as leaders in our nation’s desire to increase its global presence and competitiveness. ●

About the author

Dr. Marybeth Gasman is an associate professor at the University of Pennsylvania Graduate School of Education. Her work explores issues pertaining to philanthropy and historically black colleges, black leadership, contemporary fundraising issues at black colleges, and African American giving. Among other works, she has authored *Envisioning Black Colleges: A History of the United Negro College Fund* (Johns Hopkins University Press, 2007) and *Understanding Minority Serving Institutions* (State University of New York Press, 2008). Her research on Historically Black Colleges and Universities has been cited in various media venues, including *The New York Times*, *The Washington Post*, the *Wall Street Journal*, the *Chronicle of Higher Education*, *National Public Radio*, *U.S. News and World Report*, and *CNN*.

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